

INITIAL STATEMENT OF REASONS

DESCRIPTION OF THE PUBLIC PROBLEM OR OTHER CIRCUMSTANCE THE PROPOSED ACTION IS INTENDED TO ADDRESS

The Commission on State Mandates is a seven-member quasi-judicial body authorized to resolve disputes regarding the existence of state mandated local programs (Gov. Code, § 17500 et seq.) and to hear matters involving applications for a finding of significant financial distress (Welf. & Inst. Code, § 17000.6). The purpose of this rulemaking is to incorporate the current methodology for developing statewide cost estimates into the Commission's regulations. This proposed rulemaking also adds to the Conflict of Interest Code a requirement that designated filers complete ethics training as required by Government Code sections 11146 and 11146.3, as amended by Assembly Bill 3022 (Stats. 2002, ch. 663). Further, the text of the existing regulations has been edited for clarity and consistency purposes.

Section 1181.1.

SPECIFIC PURPOSE OF THE REGULATION

The section defines key terms used in the regulations. The definition of "statewide cost estimate" is proposed because it is a term that is frequently used in the regulations.

NECESSITY

Definitions of key terms used in the regulations are necessary to clarify the meaning and to consistently apply the regulations.

Section 1183.01.

SPECIFIC PURPOSE OF THE REGULATION

State law requires that a statewide cost estimate be adopted within 12 months following the date a test claim is filed. For purposes of calculating when a statewide cost estimate should be adopted, the proposed change excludes time from when the parameters and guidelines are effective until the date initial reimbursement claims are filed with the State Controller. This allows the statewide cost estimate to be based on actual statewide claims data.

NECESSITY

The proposed change is necessary to toll the days until the data that is used to develop the statewide cost estimate is available.

Section 1183.3.

SPECIFIC PURPOSE OF THE REGULATION

The purpose of the proposed change is to specify that data from the initial reimbursement claims may be used to develop statewide cost estimates. Or, in the event a different methodology is identified, provide authority to use it to develop the statewide cost estimate.

NECESSITY

The proposed changes are necessary to incorporate the current methodology for developing statewide cost estimates into the regulations. In addition, the regulation has been revised for clarity and consistency purposes.

Section 1184.2.

SPECIFIC PURPOSE OF THE REGULATION

This section specifies the criteria and process for reimbursing claims from the State Mandates Claims Fund.

NECESSITY

The amendments are necessary to consistently apply both criteria specified in law that allow payment of reimbursement claims from the State Mandates Claims Fund. Other non-substantive changes are proposed for clarity.

Section 1189.11.

SPECIFIC PURPOSE OF THE REGULATION

The purpose of this regulation is to implement the law that requires each state agency to offer an orientation course on relevant ethics statutes and regulations, and for employees, who are required to file statements of economic interest under the Political Reform Act, to complete the training.

NECESSITY

This regulation is necessary to clarify the application of the ethics orientation required by law and to consolidate all requirements relating to employees' compliance with the Conflict of Interest Code and ethics rules.

MATERIAL RELIED UPON TO DEVELOP REGULATIONS

No technical documents, empirical studies, reports or documents have been relied upon to develop these proposed regulations.

ALTERNATIVES TO THE PROPOSED REGULATORY ACTIONS

The Commission has not identified any reasonable alternatives to the proposed regulatory actions. The Commission has no jurisdiction over small businesses. Therefore, there is no adverse impact on small businesses.

ADVERSE ECONOMIC IMPACT ON ANY BUSINESS

The Commission has made an initial determination that there is no adverse economic impact on any business because the Commission does not have jurisdiction over businesses.